

NEIGHBORHOOD ASSISTANCE PROGRAM (NAP)

INDIVIDUAL DONOR FACT SHEET

July 1, 2015 – June 30, 2016

Individual Donations:

Neighborhood Assistance Program (NAP) State tax credits may be available to an individual making a donation of **cash** or **marketable securities** directly to an approved NAP non-profit organization. To qualify, individuals must donate at least \$500. The minimum donation requirement must be met between July – December or between January – June. An individual may be eligible to receive a NAP tax credit for a donation value up to \$125,000 per taxable year.

The Code of Virginia establishes a maximum tax credit of 65 percent of the value of the qualified donation. An individual may, by written agreement, accept a tax credit for less than 65 percent from a NAP non-profit organization.

General Provisions for Individual Donations:

- Please consult the approved NAP non-profit organization to determine the availability of NAP tax credits. NAP tax credits are limited, and availability is based on the allocation of credits to an approved NAP non-profit organization.
- Donations must be made directly to the approved NAP non-profit organization with no restrictions. A third party donation, such as a designation through another non-profit organization (i.e.: United Way, Just Give, etc.) is not eligible for NAP tax credits.
- Determining the effect of making a donation for tax credits on a donor's tax liability is the sole responsibility of the donor. Before making a donation, or when tax-related questions occur, donors are encouraged to seek advice from their tax accountant or other tax advisor.

Completing NAP Contribution Notification Form (CNF):

A NAP Contribution Notification Form (CNF-E) must be completed for all individual NAP donations. CNF-E form must be completed as follows:

- Donor must complete Part I and II of the CNF-E and send the form to the approved NAP non-profit organization.
- The approved NAP non-profit organization will then complete Part III and mail the original CNF-E and supporting documentation to the Virginia Department of Social Services (VDSS) for processing.
- A tax credit certificate will be mailed directly to the donor within six to eight weeks from the date VDSS receives the CNF-E and supporting documentation. Donor information is shared with the Virginia Department of Taxation and the Department of Education to track tax credits issued under the Neighborhood Assistance Tax Act.

NEIGHBORHOOD ASSISTANCE PROGRAM (NAP)

TRUST DONOR FACT SHEET

July 1, 2015 – June 30, 2016

A trust or fiduciary for a trust subject to tax imposed by Article 6 (§ 58.1-360 et seq.) of Chapter 3 of the Code of Virginia may qualify for a tax credit.

Trust Donations:

Tax credits may be available to a trust making a donation directly to an approved NAP non-profit organization. Donations must be in the form of cash, stock, merchandise, real estate or rent/lease of the organization's facility. Donations made from a trust must be at least \$616.

The Code of Virginia establishes a tax credit of 65 percent of the value of the qualified donation. A trust may, by written agreement, accept a tax credit for less than 65 percent from a NAP non-profit organization.

The trust must complete Form PTE after receipt of NAP Tax Credit Certificate. Mail the completed Form PTE to the Virginia Department of Taxation. The Department of Taxation will not be able to process an individual return that claims a tax credit for a trust until the necessary information has been received.

General Provisions for Trust Donations:

- Please consult the approved NAP non-profit organization to determine the availability of NAP tax credits. NAP tax credits are limited, and availability is based on the allocation of credits to an approved NAP non-profit organization.
- Donations must be made directly to the approved NAP non-profit organization with no restrictions. A third party donation, such as a designation through another non-profit organization (i.e.: United Way, Just Give, etc.) is not eligible for NAP tax credits.
- Determining the effect of making a donation for tax credits on a donor's tax liability is the sole responsibility of the donor. Before making a donation, or when tax-related questions occur, donors are encouraged to seek advice from their tax accountant or other tax advisor.

Completing NAP Contribution Notification Form (CNF):

A NAP Contribution Notification Form (CNF-E) must be completed for all trust NAP donations. CNF-E form must be completed as follows:

- Donor must complete Part I and II of the CNF-E and send the form to the approved NAP non-profit organization.
- The approved NAP non-profit organization will then complete Part III and mail the original CNF-E and supporting documentation to the Virginia Department of Social Services (VDSS) for processing.
- A tax credit certificate will be mailed directly to the donor within six to eight weeks from the date VDSS receives the CNF-E and supporting documentation. Donor information is shared with the Virginia Department of Taxation and the Department of Education to track tax credits issued under the Neighborhood Assistance Tax Act.